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FILED

JUN 03 2013

DEPARTMENT OF REAL ESTATE

By *[Signature]*

9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 In the Matter of the Accusation of)
12 SARATOGA BANCORP and) No. H-11556 SF
13 AMARJIT S. AHLUWALIA,) ACCUSATION
14 Respondents.)
15)

16 The Complainant, TRICIA D. SOMMERS, acting in her official capacity as a
17 Deputy Real Estate Commissioner of the State of California, for cause of Accusation against
18 SARATOGA BANCORP and AMARJIT S. AHLUWALIA, (herein referred to as
19 "Respondents") is informed and alleges as follows:

20 1.

21 Respondent SARATOGA BANCORP ("SARATOGA") is presently licensed
22 and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Business and
23 Professions Code ("the Code") as a corporate real estate broker.

24 2.

25 Respondent AMARJIT S. AHLUWALIA ("AHLUWALIA") is presently
26 licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Code as
27 a real estate salesperson. AHLUWALIA is the sole owner of SARATOGA.

3.

1 Whenever reference is made in an allegation in this Accusation to an act or
2 omission of SARATOGA, such allegation shall be deemed to mean that the employees, agents,
3 real estate licensees, and others employed by or associated with SARATOGA committed such
4 act or omission while engaged in furtherance of the business or operations of SARATOGA and
5 while acting within the course and scope of their authority and employment.
6

7 4.

8 At all times herein mentioned, Respondents engaged in the business of, acted in
9 the capacity of, advertised or assumed to act as real estate brokers in the State of California
10 within the meaning of section 10131 or 10131.1 of the Code, wherein they negotiated for
11 compensation or in the expectation of compensation:
12

- 13 (A) loans secured directly or collaterally by liens on real property or on
14 business opportunities as agent for another or others;
15 (B) Sales or exchanges of real property sales contracts or promissory notes
16 secured directly or collaterally by liens on real property or business
17 opportunities as agent for another or others; or
18 (C) Sales or exchanges of real property sales contracts or promissory notes
19 secured directly or collaterally by liens on real property as the owners of
20 those notes or contracts.

21 FIRST CAUSE OF ACTION
22 FRAUDULENT OR DISHONEST DEALINGS

23 5.

24 Each and every allegation described above in Paragraphs 1 through 4, inclusive,
25 is incorporated by this reference as if fully set forth herein.

26 ///

27 ///

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1 6.

2 In or about 2008, Respondents advertised as a real estate corporation selling
3 and/or brokering loans as described above in Paragraph 4 (hereinafter referred to as "hard
4 money loans").

5 7.

6 In or about November, 2008, an individual named Joseph G. viewed an
7 advertisement on Respondents' website indicting Respondents sold and/or brokered hard
8 money loans. Joseph G. thereafter spoke to AHLUWALIA on the telephone and, as a result of
9 their conversation, Joseph G. agreed to invest \$25,000 with Respondents in a hard money loan.
10 As part of the hard money loan investment agreement between Respondents and Joseph G.,
11 Respondents promised to assign Joseph G. a one half interest in a deed of trust secure by real
12 property.

13 8.

14 Joseph G. thereafter paid Respondents \$25,000 for the hard money loan
15 investment discussed above in Paragraph 7. Joseph G. thereafter received regular interest
16 payments of \$250 per month from Respondents.

17 9.

18 On or about February, 2012, Joseph G. stopped receiving payments of \$250 per
19 month from Respondents regarding the hard money loan investment. Joseph G. then learned
20 that Respondents had never assigned him a one half interest in the deed of trust secured by real
21 property as originally promised by AHLUWALIA. Rather, Respondents had retained one
22 hundred percent interest in the deed of trust secured by real property and hid this
23 misrepresentation from Joseph G.

24 10.

25 On or about January 25, 2013, Joseph G. filed a civil action against
26 Respondents in the Los Angeles County Superior Court, Case No. BC486595, alleging fraud
27 and damages as a result of allegations consistent with the facts set forth above in Paragraphs 6

1 through 9. On or about April 24, 2013, Joseph G. obtained a \$25,000 default judgment against
2 Respondents in the aforementioned civil action.

3 11.

4 The facts alleged above in paragraphs 6 through 10 are grounds for suspension
5 or revocation of the license and license rights of Respondents under Sections 10176(a),
6 10176(b), 10176(i), 10177(j) and 10177.5 of the Code.

7 SECOND CAUSE OF ACTION
8 FAILURE TO RETAIN RECORDS
9 (As to SARATOGA only)

10 12.

11 Each and every allegation described above in Paragraphs 1 through 11, inclusive,
12 is incorporated by this reference as if fully set forth herein.

13 13.

14 On or about November 30, 2011, a designated representative of the Real Estate
15 Commissioner made demand, pursuant to Section 10148 of the Code, that SARATOGA make
16 available for examination, inspection and copying by the Department of Real Estate
17 ("Department"), all of SARATOGA's books and records pertaining to SARATOGA's real
18 estate brokerage activities regarding the hard money loans.

19 14.

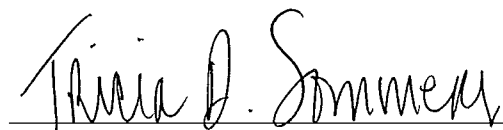
20 In connection with the Department's request described above in Paragraph 13,
21 SARATOGA failed and refused to make said records available for inspection and/or failed to
22 retain said records in violation of Section 10148 of the Code.

23 15.

24 The acts and/or omissions of SARATOGA, as described above in Paragraphs 13
25 and 14 violate Section 10148 of the Code and constitute cause for the suspension or revocation
26 of the licenses and license rights of Respondents under Section 10177(d) and/or 10177(g) of the
27 Code.

1 part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the
2 case.

3 WHEREFORE, Complainant prays that a hearing be conducted on the
4 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
5 disciplinary action against all licenses and license rights of Respondents under the Code, and for
6 such other and further relief as may be proper under the provisions of law.

7
8 

9 TRICIA D. SOMMERS
10 Deputy Real Estate Commissioner

11 Dated at Sacramento, California,
12 this 13th day of May, 2013.

13
14 DISCOVERY DEMAND

15 Pursuant to Sections 11507.6, *et seq.* of the *Administrative Procedure Act*, the
16 Department hereby makes demand for discovery pursuant to the guidelines set forth in the
17 *Administrative Procedure Act*. Failure to provide Discovery to the Department may result in
18 the exclusion of witnesses and documents at the hearing or other sanctions that the Office of
19 Administrative Hearings deems appropriate.